



PSC NEWS

Missouri Public Service Commission

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PSC APPROVES WATER SYSTEM SALE

Jefferson City (June 19, 2002)---The Missouri Public Service Commission has approved an application which authorizes Quail Run Water and Land Company to sell all of its outstanding shares to the Public Funding Corporation of the City of Ozark. When the transaction is complete, the Public Funding Corporation intends to enter into a lease/purchase agreement with the City of Ozark, for the purpose of transferring the system assets to the City of Ozark. The City of Ozark will operate the Quail Run system as an unregulated municipal system.

According to the application, Quail Run Water and Land Company customers will continue to receive water service at existing rates.

In a May 24, 2002, memorandum, the Staff of the Missouri Public Service Commission stated that it had reviewed the proposed transaction and concluded that it was not detrimental to the public interest and should be approved.

The Commission's order states: "The Commission has reviewed the Joint Application and Staff's Memorandum and Recommendation. Based on these materials, the Commission has determined that the proposed transaction is not detrimental to the public interest and should be approved. The City of Ozark is already in the business of providing public water service and is capable of operating Quail Run's system."

Quail Run Water and Land Company serves approximately 100 water customers in Christian County near Ozark, Missouri.

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Case No. WM-2002-394